Bad Loans of Punjab and Sind Bank

3006. SHRI GAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attentin has been drawn to the news-item appearing in Hindustan Times dated 3.6.98 regarding bad loans worth Rs. 700/- crores of Punjab and Sind Bank;

(b) if so, the persons/firms against whom these bad loans were outstanding; and

(c) what action has been taken against the officials responsible?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) Yes, Sir.

(b) Under the existing secrecy laws, the names of the borrowers cannot be disclosed. However, the two accounts viz. M/s. Arnica International and M/s. Arco Exports mentioned in the News Item have been classified as NPAs as on 31.3.98. The bank has filed a civil suit against the proprietor/guarantor besides a criminal complaint.

(c) Punjab & Sind Bank has reported that in view of the deficiencies in operations of these accounts, two branch managers have been placed under suspension.

Disciplinary action initiated against Employees for Misutilising Housing Loan

3007. SHRI JALALUDIN ANSARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that disciplinary action was initiated against award staff employees and officers on account of misutilisation of housing loan in State Bank of Indore in 1995 and 1996;

(b) whether it is also a fact that award staff employees were penalised while officers were set free for the same charges of misutilisatin of housing loan; and

(c) if so, in what way Government propose to deal with such discrimination and favouratism in disciplinary action by higher Management of State Bank of Indore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) to (c) The information is being collected and to the extent available will be laid on the Table of the House.

Irrecoverable Advances in State Bank of Indore

3008. SHRI JALALUDIN ANSARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that funds of crores of rupees have become bad debts in Connaught Circus, New Delhi and Industrial Finance Branch (IFB), Karol Bagh of State Bank of Indore in Delhi;

(b) whether any accountability has been fixed of those officers who have disbursed and sanctioned such irrecoverable advances; and

(c) whether Government would take any action against the officers who caused so heavy loss to the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) RBI's data monitoring system does not generate branch-wise information. However, NPAs of State Bank of Indore for the last three years (latest available) are given below:—

(Rs. in Crores)

	Gross NPAs	%age of gross advances
1994-95	199.01	15.28
1995-96	218.84	14.20
1996-97	266.76	15.81

(b) Staff accountability is looked into by RBI at the time of Annual Financial Inspection, Banks also look into the staff

accountability as and when proposal for compromise/write-off is considered. Board of Directors also look into the system prevailing for fixing staff accountability while reviewing top NPAs of each category.

(c) It is for the banks to take action against the officers if they are found responsible for an account turning into NPA.

Government Nominee's Opinion in Dunlop Board

3009. SHRI DIPANKAR MUKHERJEE: Will the Minister of LAW, JUSTICE & COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to a news-item "DUNLOP TO SEEK SHAREHOLDERS' NOD ON BONANZA FOR RAO" published in "BUSINESS STANDARD" dated June 8, 1998;

(b) if so, the action taken by Government nominee in the Dunlop Board on the issue;

(c) whether a dissenting note has been given to the Board; and

(d) if not, the reasons therefor?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI M. THAMBI DURAI):(a) Yes, Sir.

(b) to (d) There is no Government director on the Board of the company. However, Shri R.N. Tripathi, LIC nominee, was inducted on the Board of the company w.e.f. 22.11.1997. The Board of Directors at its meeting held on 22nd November, 1997 appointed Shri P.J. Rao as the Managing Director of the company for a period of five years w.e.f. 22nd November, 1997. Since no Government Director including LIC nominee was present at the Board meeting held on 22.11.1997, no dissenting note was given to the Board.

Vacancies in Financial Institutions

3010. SHRI LAJPAT RAI: Will the Minister of FINANCE be please to state:

(a) the vacancies at different levels in various financial institutions; and

(b) by when these vacancies will be filled up to enable their expeditious functioning?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI R. JANARTHANAN) : (a) and (b) As per information provided by public sector financial institutions, the position with regard to vacancies at different levels as on 31st May, 1998 is as follows:

		Officers	Clerical	Sub-staff
1.	Industrial Development Bank of India	14	109	131
2.	Small Industries Development Bank of India	58	47	38
3.	Industrial Investment Bank of India	35	07	—
4.	North-Eastern Development Finance Corporation Ltd.	37	—	—
5.	Export Import Bank of India	03	—	—

These institutions have reported that action has been initiated to fill vacancies as per their requirements in different Cadres.